



SEMI-ANNUAL REPORT

JUNE 1971

The Manoir companies

General Freezer Limited

Kates International Corporation Ltd.

Manoir Industries (Bahamas) Limited

Manoir International

(DIVISION OF CANADIAN MANOIR INDUSTRIES LTD.)

Maso Import Ltd.

Mouton Processors Limited

SDP Communications

(DIVISION OF CANADIAN MANOIR INDUSTRIES LTD.)

Syndicated Film Services Limited

Atlas Customs Brokers Limited

Cinecraft, Inc.

Comprehensive Distributors Limited

Eastern Sound Company Limited

Teleprint of Chicago, Inc.

Teleprint of Los Angeles, Inc.

Teleprint of New York, Inc.

HEAD OFFICE: 2 GLENGROVE AVE. WEST, TORONTO 310, ONTARIO

President's letter

I am pleased to report that the quarter ending June 30, 1971, has been satisfactory and that our objectives for 1971 are being achieved.

We have encountered some weakness in our advertising related services both here and in the United States. I anticipate that this will correct itself in line with the expected pick-up of economic activity.

Weakness in the advertising area has been more than offset by strength in the home freezer market and the benefits that our import operations derive from the high level of the Canadian dollar.

Here is a summary of the half year results:

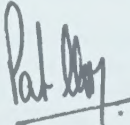
	<u>FIRST HALF</u> <u>1971</u>	<u>FIRST HALF</u> <u>1970</u>	<u>INCREASE</u>
REVENUE	\$5,880,319	\$5,298,253	11.0%
NET INCOME	340,205	298,096	14.1%
EARNINGS PER SHARE	0.205	0.177	15.8%
EQUITY PER SHARE	1.754	1.388	26.4%

Working Capital increased from \$1,764,570 at June 30, 1970, to \$2,115,997 at June 30, 1971. This represents an increase of 19.9% and was achieved after a common dividend payout of ten cents per share.

We look for continued benefits from the strong demand for home freezers during the second half of the year.

Recent decisions by the Canadian Radio & Television Commission in respect to Cable Television will benefit our advertising related services.

In view of these facts I am optimistic as to the results for the second half of 1971, particularly since the last half of the year is, historically, our groups most active time.


Pat Clever

Canadian Manoir

INDUSTRIES LIMITED
AND SUBSIDIARIES

Consolidated Summaries of Income

For the six months ended June 30, 1971 and 1970
(UNAUDITED)

	1971	1970
Gross billings for sales and services	\$7,053,109	\$7,248,105
Deduct:		
Inter-group transactions	\$ 612,264	\$ 450,596
Duty, sales and excise taxes remitted on behalf of clients	560,526	1,499,256
	<u>\$1,172,790</u>	<u>\$1,949,852</u>
Revenue from sales and services	\$5,880,319	\$5,298,253
Cost of sales and services	4,001,810	3,634,781
GROSS INCOME	<u>\$1,878,509</u>	<u>\$1,663,472</u>
 INCOME BEFORE INCOME TAXES (Note 2)	 \$ 712,740	 \$ 632,688
Provision for income taxes	372,535	323,450
INCOME BEFORE EXTRAORDINARY ITEM	\$ 340,205	\$ 309,238
Loss on conversion of U.S. currency	—	11,142
NET INCOME FOR THE PERIOD	<u>\$ 340,205</u>	<u>\$ 298,096</u>
 EARNINGS PER SHARE		
Income before extraordinary item	<u>\$ 0.205</u>	<u>\$ 0.183</u>
 Net income for the period	<u>\$ 0.205</u>	<u>\$ 0.177</u>

Consolidated Financial Position

As of June 30, 1971 and 1970
(UNAUDITED)

	1971	1970
Net current assets	\$2,115,997	\$1,764,570
Land, buildings, equipment and leasehold improvements, at cost less accumulated depreciation and amortization	1,337,207	1,154,840
Other assets	25,850	25,072
	<u>\$3,479,054</u>	<u>\$2,944,482</u>
Deduct:		
Long-term debt, less current portion thereof (Note 3)	\$ 400,000	\$ 344,750
Deferred income taxes	92,373	68,428
	<u>\$ 492,373</u>	<u>\$ 413,178</u>
TOTAL NET ASSETS	<u>\$2,986,681</u>	<u>\$2,531,304</u>
 REPRESENTED BY		
6% Cumulative, redeemable preferred shares, par value \$10. (Note 4)	\$ 113,150	\$ 257,850
Common shares, par value \$1.00 (Note 5)	1,638,440	1,638,040
	<u>\$1,751,590</u>	<u>\$1,895,890</u>
Capital surplus (Note 4)	11,100	150,450
Contributed surplus	61,172	42,131
Retained earnings (Note 4)	1,162,819	442,833
SHAREHOLDERS' EQUITY	<u>\$2,986,681</u>	<u>\$2,531,304</u>
Equity per share of issued common shares	<u>\$ 1.754</u>	<u>\$ 1.388</u>

Consolidated Statements of Funds

For the six months ended June 30, 1971 and 1970
(UNAUDITED)

WORKING CAPITAL, beginning of period

SOURCE OF FUNDS:

Operations

Net income for the period
Depreciation and amortization
Increase (decrease) in deferred taxes

Issue of common shares (Note 5)
Increase (decrease) in long-term debt
Other

APPLICATION OF FUNDS:

Additions to buildings and equipment
Purchase of preferred shares
Preferred share stock dividend (Note 6)
Tax paid under Section 105 of the Income Tax Act (Note 6)
Preferred dividends
Other

Increase in working capital

WORKING CAPITAL, end of period

	1971	1970
WORKING CAPITAL, beginning of period	\$1,927,798	\$1,687,757
SOURCE OF FUNDS:		
Operations		
Net income for the period	\$ 340,205	\$ 298,096
Depreciation and amortization	103,880	66,698
Increase (decrease) in deferred taxes	(2,589)	51,322
	\$ 441,496	\$ 416,116
Issue of common shares (Note 5)	1,350	—
Increase (decrease) in long-term debt	62,750	(19,500)
Other	1,450	4,588
	\$ 507,046	\$ 401,204
APPLICATION OF FUNDS:		
Additions to buildings and equipment	\$ 41,033	\$ 251,474
Purchase of preferred shares	75,064	64,159
Preferred share stock dividend (Note 6)	163,844	—
Tax paid under Section 105 of the Income Tax Act (Note 6)	28,914	—
Preferred dividends	3,768	8,758
Other	6,224	—
	\$ 318,847	\$ 324,391
Increase in working capital	\$ 188,199	\$ 76,813
WORKING CAPITAL, end of period	\$2,115,997	\$1,764,570



Notes TO FINANCIAL INFORMATION

1. By Supplementary Letters Patent dated May 27, 1971, the name of the Company was changed from Manoir Industries Ltd. to Canadian Manoir Industries Limited.

2. SUPPLEMENTARY INFORMATION

Income before income taxes is stated after charging depreciation and amortization of \$103,880 (1970 \$66,698) and remuneration of officers and directors of \$20,300 (1970 \$19,750).

3. LONG-TERM DEBT

On June 30, 1971, the convertible debenture owing to a shareholder of \$324,000, due on or before December 31, 1973, was repaid. In June 1971, the Company negotiated a long-term loan of \$400,000 with The Toronto Dominion Bank, bearing interest at 1¼% in excess of the prime bank rate, repayable in five annual instalments of \$80,000 commencing July 1, 1972.

4. PREFERRED SHARES

By Supplementary Letters Patent dated May 27, 1971, authorized preferred shares were reduced by 28,405 shares, previously purchased for cancellation, and \$284,050 of Capital Surplus was returned to Retained Earnings as of June 30, 1971.

5. COMMON SHARES

By Supplementary Letters Patent dated May 27, 1971, the common shares of the Company were consolidated on the basis of issuing four common shares of the par value of \$1.00 each in exchange for ten common shares of the par value of 40¢ each. In 1970, options were granted to key officers and employees of the Company and its subsidiaries to purchase 35,000 common shares of the par value of \$1.00 each, at a price of \$3.375 per share over a period of five years on a cumulative basis. In April 1971, 400 optioned shares were issued for a cash consideration of \$1,350, leaving 34,600 shares reserved under options as of June 30, 1971.

6. PREFERRED SHARE STOCK DIVIDEND

By Supplementary Letters Patent dated May 27, 1971, the authorized capital of the Company was increased by the creation of 4,700,000 1% non-cumulative, redeemable, non-voting preferred shares of the par value of 10¢ each.

On June 1, 1971, the Directors of the Company approved the payment of a special tax of \$28,914 to create tax paid undistributed income of \$163,844 under Section 105 of the Income Tax Act. 1,638,440 preferred shares were issued on June 24, 1971, to common shareholders of record at the close of business on June 10, 1971, and were immediately redeemed at par.

7. CONVERSION RATES FOR U.S. CURRENCY

All conversions of U.S. currency, both during the six months and at June 30, 1971, were made at U.S. \$1 = Cdn. \$1.02 (1970 U.S. \$1 = Cdn. \$1.04).



Canadian Manoir
INDUSTRIES LIMITED

OFFICERS

*Pat Clever President
G. D. Scroggie Secretary
G. Grahamslaw Treasurer*

DIRECTORS

*T. H. Baker Toronto
Pat Clever Toronto
G. Grahamslaw Toronto
M. P. Pick Toronto
G. D. Scroggie Toronto*

BANKERS

*Toronto Dominion Bank Toronto
Royal Bank of Canada Toronto
Chase Manhattan Bank New York*

REGISTRARS

Canada Permanent Trust Company Toronto

TRANSFER AGENTS


Canada Permanent Trust Company Toronto

LAWYERS

*Fraser & Beatty Toronto
Byers, McDougall, Casgrain & Stewart Montreal
Guggenheimer & Untermyer New York*

SHARE LISTING

*The common shares of the Company are listed on
the Toronto Stock Exchange.*



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Canadian Manoir

INDUSTRIES LIMITED

Semi-Annual Report

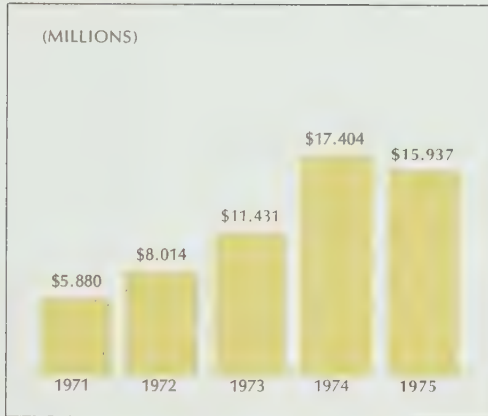
JUNE 1975

Five-year statistical review

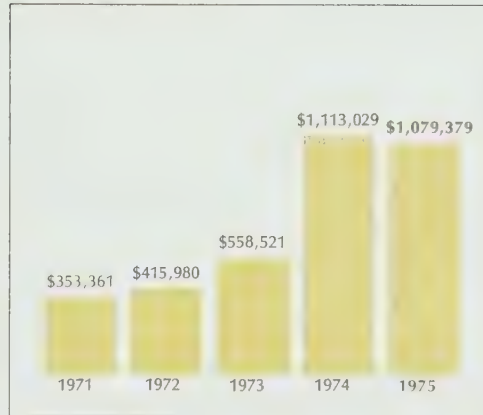
for the six months ended June 30

	1971	1972	1973	1974	1975
Revenue	\$ 5,880,319	\$ 8,013,627	\$ 11,430,709	\$ 17,403,576	\$ 15,936,617
Net Income	353,361	415,980	558,521	1,113,029	1,079,379
Earnings per Share	21¢	.25¢	34¢	67¢	65¢
Total Assets	6,005,963	6,377,667	8,390,776	15,530,982	17,304,750
Working Capital	2,129,153	2,757,555	3,295,594	4,562,849	4,732,220
Tangible Equity per Share	1.76	2.00	2.57	3.31	4.48

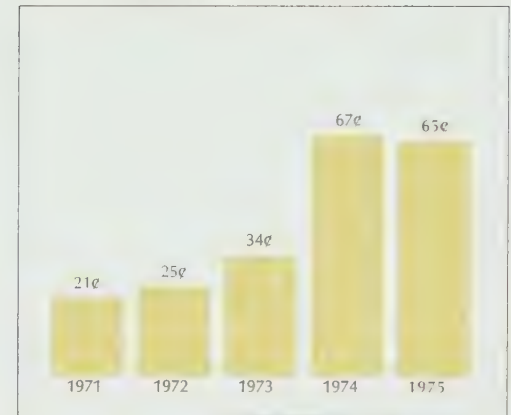
Revenue



Net Income



Earnings Per Share



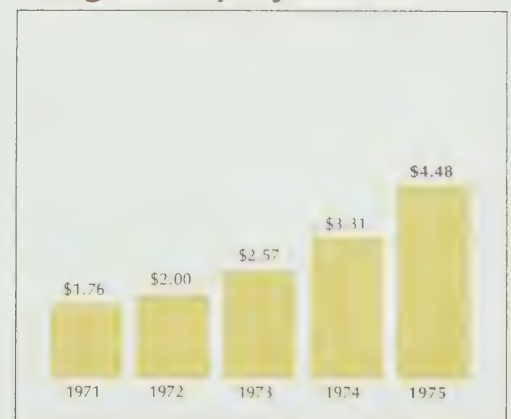
Total Assets



Working Capital



Tangible Equity Per Share



President's letter

During the first six months of 1975 our Company, in terms of Revenue and Income, held its own as compared to last year's record levels. In view of the generally depressing economic and business environment I feel gratified that we have been able to maintain these levels and I am pleased to report that our return on sales and services increased from 6.4% to 6.8%.

The decrease in revenue is attributable to a sluggishness in the trading sector of our activities due to continuing low level consumer spending. The decrease in earnings from the trading area has, however, been almost entirely offset by increased profitability in our manufacturing operations.

During the second quarter some improvements were made in the management structure of the Manufacturing group which, we believe, should result in improved effectiveness and profitability.

The 40,000 square foot addition to the building at General Freezer Limited has been completed; new machinery is being installed which will increase the plant's productive capacity, not only for freezers but also for dehumidifiers which will be in production in late 1975. The prospects for this new product are encouraging

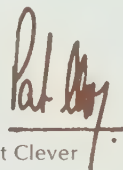
and a number of units have already been ordered for delivery in early 1976.

During June General Freezer management negotiated a new two year union contract with no disruption in operations.

As previously reported in the press, we have acquired approximately 777,000 shares of Toromont Industries Ltd., representing 16.4% of its outstanding common shares, for a total cost of \$2,314,205. We intend to make an offer later this month for an additional 1,000,000 common shares at a price of \$3.25 per share. This would give us a 37.5% interest in Toromont Industries Ltd.

Further expansion of your Company's activities is being considered with respect to the possibility of building a factory to manufacture fractional horse-power hermetically sealed refrigeration compressors. It is anticipated that the feasibility study will be completed later this year.

All present indications are that the last six months of 1975 will be satisfactory.



Pat Clever

August 20, 1975

Consolidated Summaries of Income

For the six months ended June 30, 1975 and 1974
(Unaudited)

	1975	1974
Revenue from sales and services	\$15,936,617	\$17,403,576
Cost of sales and services	11,787,578	13,047,489
GROSS PROFIT	\$ 4,149,039	\$ 4,356,087
INCOME BEFORE INCOME TAXES	\$ 2,006,167	\$ 2,248,811
Provision for income taxes	926,788	1,135,782
NET INCOME FOR THE PERIOD	\$ 1,079,379	\$ 1,113,029
EARNINGS PER SHARE	65¢	67¢

Consolidated Financial Positions

As of June 30, 1975 and 1974
(Unaudited)

	1975	1974
Net current assets	\$4,732,220	\$4,562,849
Long-term investment, at cost (Note 1)	939,510	—
Property, plant and equipment at cost less accumulated depreciation and amortization	2,812,590	2,362,070
	\$8,484,320	\$6,924,919
DEDUCT:		
Long-term debt less current portion thereof (Note 1)	\$ 940,000	\$1,364,000
Deferred income taxes	128,038	81,193
	\$1,068,038	\$1,445,193
TOTAL NET ASSETS	\$7,416,282	\$5,479,726
REPRESENTED BY		
Common shares, par value \$1	\$1,656,480	\$1,653,080
Contributed surplus	87,174	82,924
Retained earnings	5,672,628	3,743,722
SHAREHOLDERS' EQUITY	\$7,416,282	\$5,479,726
Tangible equity per issued common share	\$4.48	\$3.31

Canadian Manoir

INDUSTRIES LIMITED
AND SUBSIDIARIES

Consolidated Statements of Changes in Financial Position

For the six months ended June 30, 1975 and 1974
(Unaudited)

	1975	1974
WORKING CAPITAL , beginning of period	<u>\$5,250,736</u>	<u>\$3,792,839</u>
SOURCE OF FUNDS:		
Operations —		
Net income for the period	\$1,079,379	\$1,113,029
Charges not requiring an outlay of funds —		
Depreciation and amortization	168,382	154,541
Increase (decrease) in deferred income taxes	838	(17,016)
	<u>\$1,248,599</u>	<u>\$1,250,554</u>
Issue of common shares	7,200	3,600
	<u>\$1,255,799</u>	<u>\$1,254,154</u>
APPLICATION OF FUNDS:		
Purchase of investment (Note 1)	\$ 939,510	\$ —
Additions to property, plant and equipment, net	428,090	116,579
Decrease in long-term debt	212,000	212,000
10¢ per share tax-paid dividends on common shares (8¢ in 1974)	165,508	132,230
Tax paid on portion of 1971 undistributed income on hand	29,207	23,335
	<u>\$1,774,315</u>	<u>\$ 484,144</u>
Increase (decrease) in working capital	<u>\$ (518,516)</u>	<u>\$ 770,010</u>
WORKING CAPITAL , end of period	<u>\$4,732,220</u>	<u>\$4,562,849</u>

Note to Financial Information

1. LONG-TERM INVESTMENT

As of June 30, 1975 the Company had acquired 353,400 shares of Toromont Industries Ltd. for a total cash consideration of \$939,510.

Subsequent to June 30, 1975 the Company:

a) Acquired an additional 424,000 shares for \$1,374,695 giving it a 16.4% interest in Toromont.

b) Announced its intention to acquire a further 1,000,000 shares of Toromont through a public offering at a price of \$3.25 per share. This would increase the Company's holding to 37.5%.

c) Finalized arrangements for an additional eight year term loan from its bankers to finance the purchase of the Toromont shares.



DIRECTORS

*S. G. Bickley Montreal
J. S. Bull Toronto
Pat Clever Toronto
G. Grahamslaw Toronto
D. L. Sinclair Toronto*

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G. D. Scroggie Secretary
G. Grahamslaw Treasurer*

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Canadian Manoir

INDUSTRIES LIMITED

Semi-Annual Report

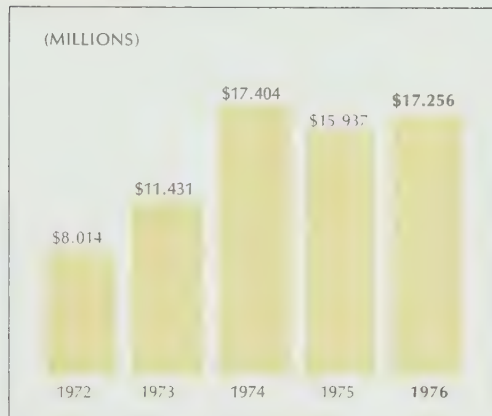
JUNE 1976

Five-year statistical review

for the six months ended June 30

	1972	1973	1974	1975	1976
Revenue	\$ 8,013,627	\$11,430,709	\$17,403,576	\$15,936,617	\$17,256,367
Income before Extraordinary Item	415,980	558,521	1,113,029	1,079,379	1,185,579
Earnings per Share before Extraordinary Item	25¢	34¢	67¢	65¢	71¢
Total Assets	6,377,667	8,390,776	15,530,982	17,304,750	20,494,536
Working Capital	2,757,555	3,295,594	4,562,849	4,732,220	7,186,011
Tangible Equity per Share	2.00	2.57	3.31	4.48	5.79

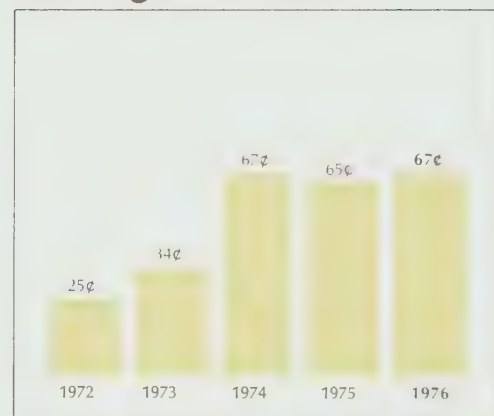
Revenue



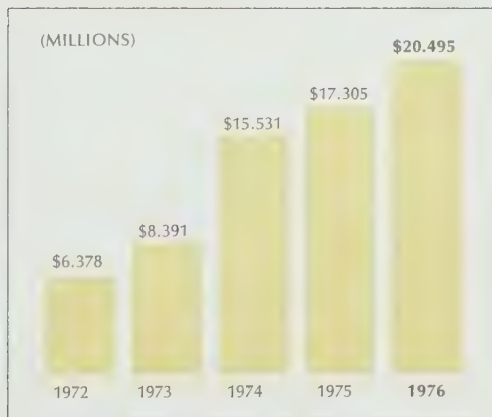
Net Income



Earnings Per Share



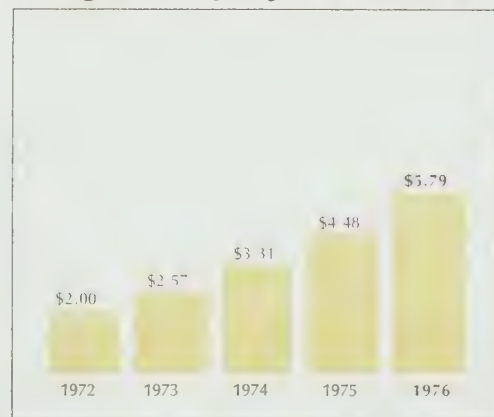
Total Assets



Working Capital



Tangible Equity Per Share



President's letter

It is with deep sorrow that I inform you of the sudden death of my husband and your President, Mr. Pat Clever, on July 15, 1976. I know that those who were privileged to know him as a person and as a businessman will miss his enthusiasm and common sense counsel.

At a meeting of the Board of Directors on August 18, I was elected to the Board and appointed President of the company.

In recent years Mr. Clever was extremely proud that he had built an organization of strong young managers who would ensure that the company would continue to grow and prosper. With a strong appreciation of this, the Directors have appointed Mr. Gordon Grahamslaw as Executive Vice-President and Chief Operating Officer of the company effective August 18. I know that this appointment would have been entirely in accordance with my husband's wishes as he and Mr. Grahamslaw had enjoyed a close relationship over the past eight years and that my husband had every confidence in Mr. Grahamslaw's judgement and management abilities.

The results of the first six months of our Group show an encouraging increase over those for 1975.

Here is a summary of the highlights:

	<u>UP</u>	<u>TO</u>	<u>FROM</u>
Revenue	8.3%	\$17,256,367	\$15,936,617
Income before Extraordinary Item	9.8%	1,185,579	1,079,379
Earnings per Share before Extraordinary Item	9.2%	71¢	65¢

During the period we sold substantially all of our shareholding in Toromont Industries Ltd. sustaining an extraordinary loss of \$71,559 pre-tax. The proceeds of this disposition were used to reduce bank indebtedness.

Recently the demand for domestic freezers has declined and the industry expects no significant improvement in the near future. General Freezer has maintained its share of the freezer market, while the line of dehumidifiers introduced this year has enjoyed gratifying results.

In contrast to the freezer market, sales of furnaces are buoyant and have increased substantially over last year. Both Olsen and Duo-Matic go into the second half of the year with an excellent back order situation.

Union contract negotiations were concluded satisfactorily at both Olsen and Duo-Matic. The agreement for Duo-Matic expires in 1978 and at Olsen in 1979.

All present indications are that the second six months will produce satisfactory results.



Toronto, Ontario
August 19, 1976

Geraldine Clever,
President

Consolidated Summaries of Income

For the six months ended June 30, 1976 and 1975
(Unaudited)

	1976	1975
Revenue from sales and services	\$17,256,367	\$15,936,617
Cost of sales and services	12,695,354	11,787,578
GROSS PROFIT	\$ 4,561,013	\$ 4,149,039
INCOME BEFORE INCOME TAXES	\$ 2,083,390	\$ 2,006,167
Provision for income taxes	897,811	926,788
INCOME BEFORE EXTRAORDINARY ITEM	\$ 1,185,579	\$ 1,079,379
Extraordinary item (Note 1)	71,559	—
NET INCOME FOR THE PERIOD	\$ 1,114,020	\$ 1,079,379
EARNINGS PER SHARE BEFORE EXTRAORDINARY ITEM	71¢	65¢
EARNINGS PER SHARE AFTER EXTRAORDINARY ITEM	67¢	65¢

Consolidated Financial Positions

As of June 30, 1976 and 1975
(Unaudited)

	1976	1975
Net current assets	\$ 7,186,011	\$ 4,732,220
Long-term investment, at cost (Note 1)	—	939,510
Property, plant and equipment at cost less accumulated depreciation and amortization	3,179,335	2,812,590
	\$10,365,346	\$ 8,484,320
DEDUCT:		
Long-term debt less current portion thereof	\$ 516,000	\$ 940,000
Deferred income taxes	220,810	128,038
	\$ 736,810	\$ 1,068,038
TOTAL NET ASSETS	\$ 9,628,536	\$ 7,416,282
REPRESENTED BY		
Common shares (Note 2)	\$ 1,663,680	\$ 1,656,480
Contributed surplus	97,524	87,174
Retained earnings	7,867,332	5,672,628
SHAREHOLDERS' EQUITY	\$ 9,628,536	\$ 7,416,282
Tangible equity per issued common share	\$5.79	\$4.48

Canadian Manoir

INDUSTRIES LIMITED
AND SUBSIDIARIES

Consolidated Statements of Changes in Financial Position

For the six months ended June 30, 1976 and 1975
(Unaudited)

	1976	1975
WORKING CAPITAL , beginning of period	<u>\$6,039,153</u>	<u>\$5,250,736</u>
SOURCE OF FUNDS:		
Operations—		
Net income before extraordinary item	\$1,185,579	\$1,079,379
Charges not requiring an outlay of funds—		
Depreciation and amortization	212,883	168,382
Increase in deferred income taxes	8,560	838
	<u>\$1,407,022</u>	<u>\$1,248,599</u>
Proceeds of sale of long-term investment (Note 1)	1,997,438	—
Issue of common shares	16,200	7,200
Reclassification of long-term investment	25,319	—
	<u>\$3,445,979</u>	<u>\$1,255,799</u>
APPLICATION OF FUNDS:		
Purchase of long-term investment	\$ —	\$ 939,510
Additions to property, plant and equipment, net	141,052	428,090
Decrease in long-term debt	1,899,500	212,000
13.225¢ per share tax-paid dividends on common shares (10¢ in 1975)	219,784	165,508
Tax paid on portion of 1971 undistributed income on hand	38,785	29,207
	<u>\$2,299,121</u>	<u>\$1,774,315</u>
Increase (decrease) in working capital	<u>\$1,146,858</u>	<u>\$ (518,516)</u>
WORKING CAPITAL , end of period	<u>\$7,186,011</u>	<u>\$4,732,220</u>

Notes to Financial Information

1. EXTRAORDINARY ITEM

During the period the Company sold 697,700 shares in Toromont Industries Ltd. giving rise to an extraordinary loss of \$71,559. This loss has not been reduced for any potential capital gains tax recovery, as such recovery is contingent upon the realization of future capital gains. The proceeds of the sale were used to reduce bank indebtedness.

As of June 30, 1976 the Company held 31,200 shares of Toromont Industries Ltd. at an average cost of \$2.37.

2. SHARE CAPITAL

Pursuant to Supplementary Letters Patent dated June 18, 1976 the prior 3,000,000 Common Shares of the par value of \$1 each, both issued and unissued, were changed into 3,000,000 Class A Common Shares without nominal or par value. Further, the authorized capital of the Company was increased by creating 3,000,000 Class B Common Shares without nominal or par value.

As of June 30, 1976 613,760 Class A shares and 1,049,920 Class B shares were issued.



DIRECTORS

S. G. Bickley Montreal
J. S. Bull Toronto
Mrs. G. Clever Toronto
G. Grahamslaw Toronto
D. L. Sinclair Toronto

OFFICERS

Mrs. G. Clever President
G. Grahamslaw Executive Vice-President and
Chief Operating Officer
H. L. Beck Secretary

BANKERS

Toronto Dominion Bank Toronto
Chase Manhattan Bank New York

REGISTRAR

Canada Permanent Trust Company Toronto

TRANSFER AGENT

Canada Permanent Trust Company Toronto

LAWYERS

Davies, Ward & Beck Toronto
Byers, Casgrain & Stewart Montreal
Guggenheimer & Untermeyer New York

SHARE LISTING

*The common shares of the Company are
listed on the Toronto Stock Exchange*

